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November 13, 2009

Ms. Peggy Sullivan
Director, Finance and Personnel
Iowa Judicial Retirement Fund
State Court Administrator Office
1111 E. Court Ave.
Des Moines, IA 50319

Re: Response to Public Retirement Systems Committee

Dear Peggy:

At the November 9, 2009 meeting of the Public Retirement Systems Committee, we were asked to estimate the cost impact if more members retire in fiscal year 2010 than expected based on our actuarial assumptions. You have identified the 16 judges expected to retire this fiscal year and we have used this data, along with our July 1, 2009 valuation data, to perform our calculations. The expected increase in the unfunded actuarial liability resulting from the identified retirements is around \$5.5 million.

The cost estimate contained in this letter is based on the July 1, 2009 actuarial valuation results. In general, the assumptions and methods used to prepare the cost estimate are the same as those used in the July 1, 2009 actuarial valuation and are shown in Appendix A of that report. This cost estimate is subject to the uncertainties of a regular actuarial valuation; the costs are inexact because they are based on assumptions that are themselves necessarily inexact, even though we consider them reasonable. Thus, the emerging costs may vary from those presented in this letter to the extent actual experience differs from that projected by the actuarial assumptions.

This information is for the exclusive use of The Iowa Judicial Retirement Fund for the purposes stated herein. It is a complex technical analysis that assumes a high level of knowledge concerning the Fund's operations, and uses the Fund's data which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs. Any distribution of this report must be in its entirety, unless prior written consent from Milliman is obtained.

Sincerely,

A handwritten signature in black ink that reads "Patrice Beckham".

Patrice A. Beckham, F.S.A.
Consulting Actuary